Appendix F

Performance Measurement and Benchmarking Study

Prepared by Michael Maher, Don Pizzullo and B. Joon Kim

PAPA 6354: Advanced Topics in Public Management: Local Government Administration

This section of the report was prepared by Virginia Tech graduate students as part of a *Local Government* course taught by OED faculty member Chad Miller. A Performance Measurement and Benchmarking study was conducted to compare the activity and performance of the Lynchburg CVB with three peer organizations. The peer CVBs selected were chosen using data obtained from the Virginia Tourism Corporation (VTC) as well as similar characteristics such as affordability, accessibility, organizational structure and mission statements. In addition, a CVB was selected that also surpasses the LRCVB in terms of budget and staff as a means to benchmark above as well as below.

To assess the Bureau against similar destination, convention and marketing organizations in the Commonwealth, OED gathered data from industry publications and interviews with convention and visitor bureau management.

What is Performance Measurement and Benchmarking (PMB)?

Performance Measurement is the practice of regular and continuous data collection and reporting on important aspects of an organization's services, programs, or processes. Performance measures are numeric indicators representing specific process or service delivery activities. Benchmarking focuses on measuring a service or practice against the "best practices." More broadly, benchmarks also could include previous objectives, previous years' performance, or performance levels achieved by other government agencies.

An analysis can provide volumes of data. Little of it is of any value, if no standards by which it compares are present. One of the primary values of performance measurement is benchmarking. Using similar Convention and Visitor Bureau's (CVB's) as benchmarks allows us to better understand the data with which we are dealing.

For our comparison, we used three additional CVB's for comparison to Lynchburg. As will be explained in greater detail later, two CVB's are similar to the Lynchburg Regional Convention and Visitors Bureau (LRCVB) in terms of traveler spending in 2000, number of establishments (includes hotel/motels, Bed & Breakfasts, Cabin/Cottage, Campground and other lodging) and number of rooms according to Virginia Tourism Corporation data.[13] The project team additionally selected a third CVB that is larger as a means for the LRCVB to make improvements.

Introduction

According to the International Association of Convention and Visitors Bureaus (IACVB), Convention and Visitor Bureaus are not-for-profit organizations charged with epresenting a specific destination and helping the long-term development of communities through a travel and tourism strategy. Convention and Visitor Bureaus are usually membership organizations bringing together businesses that rely on tourism and meetings for revenue. For visitors, CVBs are a key to the city. As an unbiased resource, CVBs can serve as a broker or an official point of contact for convention and meeting planners, tour operators and visitors. They assist planners with meeting preparation and encourage business travelers and visitors alike to visit local historic, cultural and recreational sites.[14]

In the U.S., most CVBs are classified as 501(c) 6 or 501(c) 3 non-profit associations which promote general business interests of their constituencies. As such, they cannot engage in regular business activities that are normally conducted on a for-profit basis. Revenues generated by bureau activities must be primarily expended on bureau programs that demonstrate the basis for its tax-exempt status under the rules and regulations of the Internal Revenue Service.[15]

Comparing the Lynchburg CVB to other CVBs helps to assess its operations. It is important to state that there are several factors that impact a CVBs performance that a

---

[13] Virginia Tourism Corporation, www.vatc.org

[14] www.iacvb.org

[15] Morrison, Alastair, Stacey Bruen, et al. "Convention and Visitor Bureaus in the USA: A Profile of Bureaus, Bureau Executives, and Budgets."

CVB cannot control such as hotel supply and accessibility. As a limitation, any comparison between CVBs must take into account these external factors.

Using several factors such as geography, size and accessibility, the following CVBs were used in this benchmarking study to compare to the Lynchburg Regional Convention & Visitors Bureau (LRCVB):

- Charlottesville/Albemarle Convention & Visitors Bureau
- Harrisonburg/Rockingham Convention & Visitors Bureau
- Roanoke Convention & Visitors Bureau

Background and History of the Benchmarking Study

Project Objectives

The purpose of this report is to conduct a benchmarking study of the Lynchburg Regional Convention & Visitors Bureau (LRCVB). The LRCVB is expected to benefit from this study in the following ways:

- The LRCVB will have an understanding of how their performance compares to the selected benchmark peers;
- LRCVB officials will have an understanding of the implications of the hotel occupancy tax rates in Virginia, as well as, how their tax rate compares to other localities;
- The LRCVB may see areas for improvement when presented with recommendations on how to increase its performance such as increasing its accessibility on the internet, assessing whether its tax rate is sufficient with comparable localities, and ease of visitor's accessing the CVB as a resource.

Specific objectives for the project include:

1. Determine appropriate benchmarks for the Lynchburg CVB
2. Compare the Lynchburg CVB to its benchmarks

3. Research the hospitality tax in Virginia
    a. Locate the tax code that covers hospitality tax
    b. Develop a table for the hospitality tax rates in Virginia local government
    c. Determine how hospitality revenues are utilized
4. Develop conclusions and recommendations

As part of a project for a 3- credit course-- *PAPA 6354: Advanced Topics in Public Management: Local Government Administration* graduate students researched the Lynchburg Regional CVB and used benchmarking techniques to compare Lynchburg to similar organizations. Additionally, the graduate students researched the hospitality tax in Virginia localities to determine how those taxes across the state are utilized for tourism.

The course has the following description:

"Local government is the least studied and least understood level of government in the United States. An understanding of the role that counties and municipalities play in the American political system is crucial for students planning careers in state, county, municipal and nonprofit arenas. This course is devoted to the study of counties and municipalities, with special emphasis on local governments in Virginia. It covers the origins and development of local government, its constitutional and statutory foundations, and the political and social contexts of contemporary counties and municipalities.

The course will involve "real" hands-on projects for local government as well as presentations by local public administrators. This course seeks to prepare future public administrators for working in a highly politicized and publicly-scrutinized environment that has direct and significant impacts on the well-being of our communities."

What is Benchmarking?
Benchmarking focuses on measuring a organization's services or practices against the "best practices." More broadly, benchmarks also could include previous objectives, previous years' performance, or performance levels achieved by other organizations.

Benchmarking is defined as an analysis of ways to improve government through the gathering and organizing of information to facilitate continuous improvement through comparisons against comparable municipalities and best practices in the service

Why should the Lynchburg Regional Convention & Visitors Bureau consider benchmarking?

In a broad sense, benchmarking or a "best practices" approach will provide a sense of how the Lynchburg Convention and Visitors Bureau is performing in comparison to selected indicators.

Benchmarking can[16]:

- Instill a sense of mission and focus in an organization
- Assist leaders in making day-to-day management decisions
- Serve as a tool for communicating an organization's performance
- Identify areas where productivity can be improved
- Increase program accountability
- Provide a framework for the strategic planning or goal-setting process
- Allow progress to be measured over time
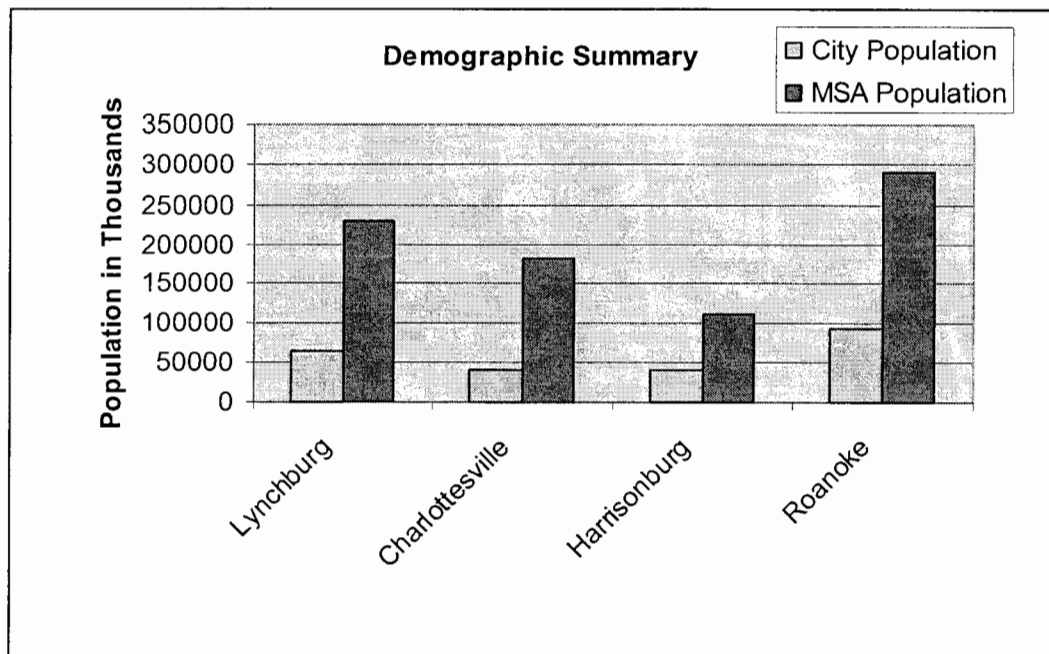- Allow a focus on programs that need change

Benchmarking Will or Should Not:
- Offer a quick-fix solution
- Become a mechanism to punish staff
- Become solely a data collection exercise
- Substitute for good management practices

III. Overview of Localities

Demographics:

---

[16] International City/County Management Association, Measurement for Results: Implementing Measures in Local Government, ICMA 2000

Demographic Summary — City Population, MSA Population

Population in Thousands: 0, 50000, 100000, 150000, 200000, 250000, 300000, 350000

Cities: Lynchburg, Charlottesville, Harrisonburg, Roanoke

Lynchburg:

The Lynchburg Metropolitan Statistical Area (MSA) includes the counties of Amherst, Appomattox, Bedford, Campbell and the cities of Bedford and Lynchburg. Lynchburg covers approximately 52 square miles while the larger Metropolitan Statistical Area region covers 2,122 square miles.[17] The area is located in south central Virginia in the foothills of the Blue Ridge Mountains. The population of Lynchburg is approximately 65,269 and the Lynchburg MSA has a population of approximately 230,500.[18]

Charlottesville:

The Charlottesville Metropolitan Statistical Area (MSA) consists of the city of Charlottesville and the counties of Albemarle, Fluvanna, Greene, and Nelson. The area is centrally located in Virginia in the eastern foothills of the Blue Ridge Mountains. This area offers an appearing quality of life and a highly skilled work force to complement its excellent interstate, rail, and air transportation networks[19]. The City of Charlottesville

---

[17] Virginia Economic Development Partnership
[18] *ibid*
[19] Virginia Economic Development Partnership

covers approximately 11 square miles. The population of Charlottesville is approximately 40,000 and the Charlottesville MSA has a population of approximately 183,100.

Harrisonburg:

The Harrisonburg Metropolitan Statistical Area (MSA) consists of the city of Harrisonburg as well as Rockingham County. The area is located in the historic and scenic Shenandoah Valley in west central Virginia. The Harrisonburg MSA is bounded on the west by the Alleghany Mountains and on the east by the crest of the Blue Ridge Mountains. The City of Harrisonburg covers approximately 17 square miles. The population of Harrisonburg is approximately 40,468 and the Harrisonburg MSA has a population of approximately 112,900.

Roanoke:

The Roanoke Metropolitan Statistical Area (MSA) includes the counties of Franklin, Roanoke, Craig, Botetourt and the cities of Roanoke and Salem. The area is strategically accessible to both the East Coast and Mid-West markets due to Interstate 81 passing through the region. The City of Roanoke covers approximately 42 square miles. The population of Roanoke is approximately 94,111 and the Roanoke MSA has a population of approximately 291,100.

Convention and Visitor Bureau Overviews:

Lynchburg:

The Lynchburg Regional Convention and Visitors Bureau (LRCVB) is a joint partnership between the Lynchburg Regional Chamber of Commerce and the City of Lynchburg. Their mission is to promote the Lynchburg region and enhance their image as a destination for leisure visitors, groups, and sporting events. The LRCVB is a 501(c)3 CVB and is a division of the Lynchburg Chamber of Commerce. The LRCVB is supervised by Vice President of Tourism Services who reports to the Chamber of Commerce President. The LRCVB has a 12 person Tourism Advisory Council, with 6 appointed by City Council and 6 appointed by the Chamber who assist the tourism

program by building a community awareness of tourism as an important part of the local economy.

Charlottesville:

The Visitors Bureau was established to promote Charlottesville and Albemarle County to out-of-town visitors. It has two main programs: a marketing office to promote local attractions and services, and a visitors' center to assist visitors with travel services once they have arrived in the area[20]. Since 1989, the Charlottesville-Albemarle Convention and Visitors Bureau (CACVB) has operated a joint exercise of powers agreement between the County and the City of Charlottesville and has been jointly funded on an annual basis in accordance with formula bases on local sales and lodging taxes. The CACVB has been supervised by a management committee consisting of the County Executive, City Manager and the President of the Chamber of Commerce. A Regional Tourism Council, consisting of 15 members also exists within the CACVB.[21]

Harrisonburg:

The Harrisonburg-Rockingham Convention and Visitors Bureau (HRCVB) started as a committee called the Visitor's Bureau under the Harrisonburg- Rockingham Chamber of Commerce. In 1997, it separated from the Chamber and became independent. The Bureau operates as a 501(c)6 not for profit membership based organization whose mission is to promote local tourism and to establish Harrisonburg-Rockingham as a sought after place to hold meetings and conventions. The HRCVB receives its funding through the general fund from the City and County. The HRCVB is supervised by a seven member board of directors that includes liaisons from the city and county.

Roanoke:

The Roanoke Valley Convention and Visitors Bureau (RVCVB) began in 1961 as part of the Roanoke Chamber of Commerce. In 1985, it became independent with the mission to actively promote tourism in the Roanoke Valley, as well as promoting conventions. A

---

[20] FY 05/06 Recommended Operating Budget, County of Albemarle, VA.
[21] Charlottesville-Albemarle Convention & Visitors Bureau Agreement, County of Albemarle, VA.

visitor's center was added in 1987. The Roanoke Valley Convention & Visitors Bureau is a 501(c)3 not-for-profit Visitors Bureau that operates independently from any City or County. The Roanoke CVB is funded through its six localities it serves including the cities of Roanoke and Salem as well as the counties of Botetourt, Franklin, Craig and Roanoke as well as the members it charges for certain services. The CVB reports to a 25 member board of directors with varied members, from restaurant owners and hoteliers to city and county officials as well as an executive committee consisting of seven people who deal with the majority of the issues.

Lifestyle:

Lynchburg:

The city of Lynchburg serves as the cultural center for the surrounding counties. The location of Lynchburg on the eastern edge of the Blue Ridge Mountains allows residents and visitors to visit numerous recreational activities. The Blue Ridge Parkway, one of America's most viewed roads, offers overlooks, camping, picnic and hiking. The George Washington National Forest has numerous streams and rivers that are used for trout fishing as well as hunting. The Appalachian Trail provides scenic and challenging trails for hikers and outdoor enthusiasts. Smith Mountain Lake, which is located in southern Bedford County, is a 23,400 acre lake that provides visitors with the opportunity for a variety of water sports.

In the Lynchburg area, professional baseball is also available. The Lynchburg Red Sox, a Class A team for the Boston Red Sox, play numerous games throughout the season for visitors and residents to attend. In addition, the Lynchburg area also is home to Liberty University and Lynchburg College. Region 2000 hosts several annual festivals in the Lynchburg area. Kaleidoscope Festival, hosted in the fall by Lynchburg contains a wide range of popular activities including sporting events, music, art exhibits and historical tours. One of Lynchburg's neighboring counties Amherst County hosts the Apple Harvest Festival and the Sorghum Festival, which thousands of people attend every year.

Charlottesville:

The position of the University of Virginia in Charlottesville introduces unique opportunities for residents and visitors to experience a large assortment of cultural and entertainment activities. The University hosts a number of plays, concerts, lectures and Division I sporting events that are open to everyone. The McIntire Department of Music at the university sponsors over 70 concerts annually for the community.

Since Charlottesville is located on the eastern edge of the Blue Ride Mountains there are many opportunities for visitors to take advantage of outdoor activities. The Shenandoah National Park provides visitors with the opportunity to picnic, camp and hike. The Appalachian Trail and Skyline Drive are easily accessible from anywhere in the U.S. Additionally, Crabtree Falls, the highest waterfall in the Eastern U.S. is located in the Charlottesville MSA.

Wintergreen Resort is a significant recreational asset for the Charlottesville MSA as well. The 10,800 acre resort provides skiing, golf, horseback riding, hiking and cycling throughout the year. Five restaurants, a gallery of specialty shops, as well as condominiums and villas help make the Wintergreen Resort a viable advantage for the Charlottesville area.

In addition to the resorts in Charlottesville, historic attractions are abundant in the area. Thomas Jefferson's home, Monticello, and Ash Lawn/Highland, the estate of James Monroe, are popular destinations for visitors and residents. Michie Tavern, one of the oldest homesteads in Virginia, still serves authentic colonial food and contains one of the largest collections of pre-revolutionary artifacts. Festivals and special events are held at the 5,000 acre Oak Ridge Estate, a 1902 mansion with its own train station. Nelson County is the birthplace of the popular TV series, the Walton's and a museum is located there to showcase the Walton's memorabilia.

Wineries are extremely important to the tourism industry. Albemarle County contains ten wineries and hundreds of acres dedicated to vineyards. An annual Albemarle Harvest Wine Festival draws numerous visitors to taste local wines.

Harrisonburg:

There are numerous cultural and recreational opportunities to residents and tourists in the Harrisonburg area. Many of Harrisonburg's opportunities for adventure arise from its natural beauty that includes the Shenandoah National Park, Skyline Drive, George Washington National Forest, Grande Caverns Regional Park, and the Natural Chimneys Regional Park. All of these facilities offer scenic views, skiing, hiking, camping, swimming and fishing among other activities.

In addition to the natural beauty of the area, the Harrisonburg area includes James Madison University, Bridgewater College and Eastern Mennonite University that sponsor lectures, concerts, art exhibits and a variety of athletic events that are attended by the general public. In addition, both Bridgewater College and James Madison University have a planetarium that is open to the public throughout the year.

Roanoke:

Roanoke is the cultural and recreational center for the region. Center in the Square, in Downtown Roanoke, is a focus point of cultural activity. This unique facility houses the Science Museum of Western Virginia and Hopkins Planetarium; the Roanoke Museum of Fine Arts; the Mill Mountain Theater; the Roanoke Valley Arts Council; and the Roanoke Valley Historical Society. The Roanoke Ballet Theater conducts two major performances and the Roanoke Symphony performs five programs during the year. Opera Roanoke puts on four to five productions per year. The Mill Mountain Theater offers a professional Broadway Play series.

In addition to museums, festivals and events are held throughout the year in the Roanoke MSA. Festival in the Park is considered the highlight of the festival year. This annual summer celebration features art displays, concerts, and theatrical performances. The Blue

Ridge Folklife Festival, the largest of such festivals in Virginia, is held in October in Franklin County. A wide variety of events are also held in the Salem Civic Center. The center is home to the Roanoke Valley Horse show, the largest of its type and one of the ten largest in the country. The center has also hosted NCAA III College Football National Championship games.

Visitors and Residents can explore Smith Mountain Lake's shoreline and thousands of acres of forest in the Jefferson National Forest. In Franklin County alone, there are 20,000 acres of public recreational and open space land. Throughout Craig County, there are many mineral springs including Craig Healing Springs that serves as a conference center and recreation facility for tourists and residents.

IV.   Benchmarked Convention & Visitor Bureaus

An analysis can provide volumes of data. Little of it is of any value, if no standards by which it compares are present. One of the primary values of performance measurement is benchmarking. Using similar Convention and Visitor Bureau's (CVB's) as benchmarks allows us to better understand the data with which we are dealing.

For our comparison, we used three additional CVBs for comparison to the Lynchburg Regional CVB. Two CVBs are similar to the Lynchburg Regional Convention and Visitors Bureau (LRCVB) in terms of geography, size and accessibility. The project team additionally selected a third CVB that is larger as a means for the LRCVB to progress further. The peer CVB's selected were chosen using similar characteristics such as affordability, accessibility, organizational structure and mission statements. In addition, a CVB was selected that also surpasses the LRCVB in terms collected motel/hotel room taxes as a means to benchmark above as well as below.

- **Harrisonburg/Rockingham CVB**

    The Harrisonburg/Rockingham CVB serves the City of Harrisonburg as well as the County of Rockingham.
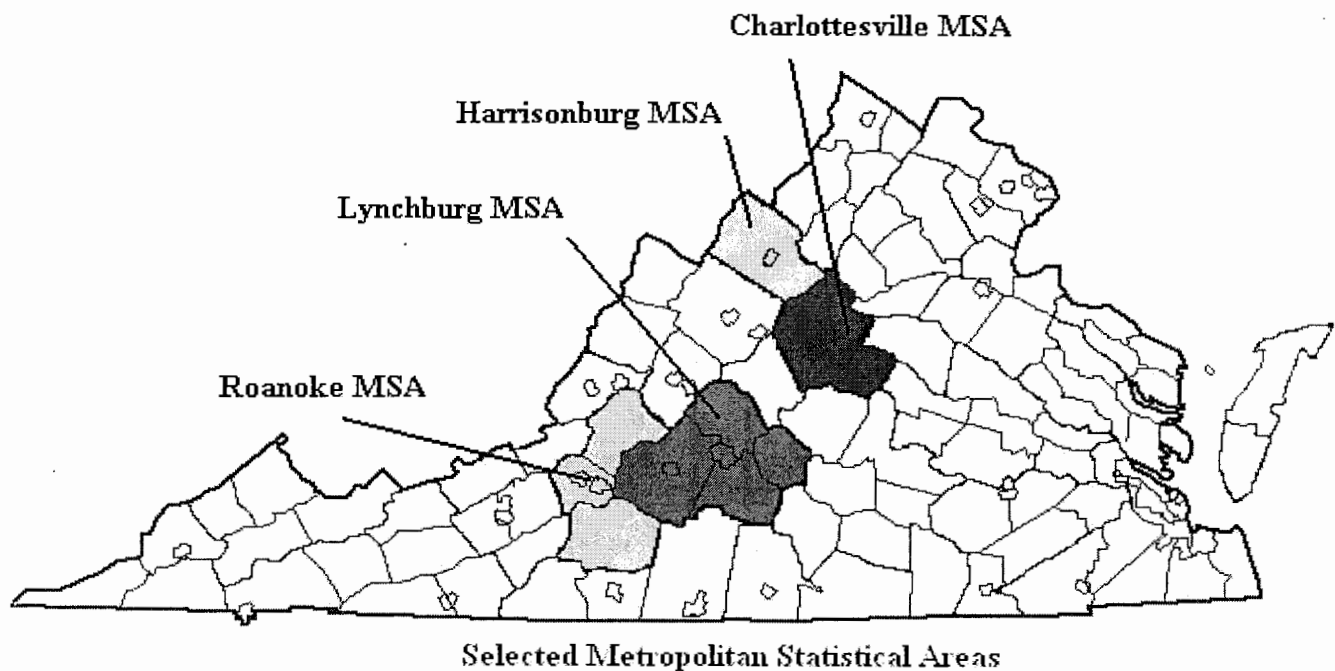
- **Charlottesville CVB**

  The Charlottesville CVB serves the City of Charlottesville as well as the counties of Albemarle, Fluvanna, Greene and Nelson.

- **Roanoke CVB**

  The Roanoke CVB serves the Cities of Salem and Roanoke as well as the counties of Botetourt, Craig, Franklin and Roanoke.

Figure 1: Lynchburg and Benchmark Counties

Selected Metropolitan Statistical Areas

The table below, Table 1, details certain key factors the project team used to determine who was comparable to the Lynchburg area. As observed in the table, the population of Lynchburg's MSA is comparable to Charlottesville, Roanoke and Harrisonburg. While two, Harrisonburg and Charlottesville, have populations lower than Lynchburg, they

were the most closely associated in terms of Metropolitan Statistical Areas. The project team determined it was necessary to utilize MSA's in this benchmarking project due to the fact that the four CVBs serve more than just one city or county; instead serving a multitude of counties and cities at all times. In terms of the average cost per room, Lynchburg, Roanoke and Harrisonburg all have very similar rates. Roanoke has an unusually high average room rate but was still comparable with other factors for it to be included in this report. MSA hotel and motel room taxes were collected using the Auditor of Public Accounts for the state of Virginia's report on Comparative Local Government Revenues. It can be viewed that Roanoke and Charlottesville both have extremely higher taxes collected than Lynchburg and Harrisonburg. This is because Roanoke and Charlottesville have the highest per capita personal income as well as high average room rates compared to Lynchburg and Harrisonburg.

Table 1: Lynchburg and Benchmark Localities

CVB	Lynchburg	Charlottesville	Roanoke	Harrisonburg	Mean
Population (Metropolitan Statistical Area)	230,500	183,100	291,100	112,900	204,400
Caucasian	79%	81%	85%	92%	84.3%
Nonwhite	21%	19%	15%	8%	15.8%
Per capita personal income	$25,422	$32,053	$29,283	$23,270	$27,507
Average Age	38	35	39	36	37
Percentage of population 25 years or older who have earned a Bachelor's Degree or higher	18.7%	38.3%	21.0%	21.4%	24.9%
Transient Occupancy Tax Rate (City)	5.5% + $1 per night	5.0%	7.0%	6.0%	5.9%
2004 Average Room Rates (Reflects the average cost per room)	$60.92	$82.13	$62.44	$60.31	$66.45
MSA hotel and Motel Room Taxes	$1,686,239	$3,059,284	$3,719,391	$1,267,816	$2,433,182

Limitations

Despite the project team's best efforts at a thorough research design for this benchmarking study, the availability of data determined modifications and impossibilities. Of primary concern to the project team was the inability to directly receive certain CVB information from some CVBs themselves. This information mainly involved "hard" data such as budgets, percentages of the transient occupancy tax earmarked for the CVB, alternate sources of revenue for the CVB, amounts spent on advertising, and exact numbers of visitors to the area. The project team believes these numbers were not divulged due to an inherent competition between CVBs for visitors. After speaking with key tourism officials in the region and state, the project team was directed that a full fiscal benchmarking study comparing CVBs was impractical due to the unique nature of each CVB. Nevertheless, the project team felt that certain key comparisons without obtaining direct fiscal budgetary data could be utilized in order to gauge resources and practices from comparative CVBs.

For reference, a Comparative Report of Local Government Revenues for the benchmarked communities is provided in Appendix G.

Benchmark Table
Although the areas served by the four CVBs are different there are still many similarities. All market attractions and events take place on a regional level for a multitude of reasons. Most CVBs provide services beyond their boundaries. All four CVBs have metropolitan areas that serve as cultural and regional hubs for the area in which they serve. The four regions are fairly accessible with major roads and at least accessible airports. All of the CVBs have similar historical attractions as well as festivals and events which show that the Lynchburg CVB is performing just as efficiently in terms of its marketing and attractions as the other three CVBs the project team compared to. With regards to marketing and advertising, all four CVBs utilize many of the same resources for marketing their areas and produce many of the same, if not identical, materials to distribute.

The table below, Table 2, details each of the four CVBs and their organizational structure, advertising efforts, festivals and events and accessibility.

Table 2: Benchmark Table of Four Peer CVBs

Table 2: CVB	Organizational Structure	Attractions/Events	Advertising/Marketing	Accessibility
Lynchburg CVB Lynchburg CVB, cont'd	Chamber of Commerce Affiliated. Chamber President and VP of Tourism Services 501 (c)3	• Academy of Fine Arts • Amazement Square • Battle of Lynchburg Driving Tour • Fort Early • Jones Memorial Library • The Legacy Museum • Lynchburg Historic Districts • Lynchburg Community Market • Lynchburg Museum at Bragassa Toy Store • Miller-Claytor House & Garden • Point of Honor • Monument Terrace • Old City Cemetery • Sandusky • South River Meeting House • Spring Hill Cemetery • Poplar Forest • Anne Spencer House • Appomattox County Historical Museum • Appomattox Court House • Clove Hill Village • Fred's Car Museum • Bedford County Courthouse • Bedford City • Bedford Historic District • Booker T. Washington Monument • Elks National Home • Wintergreen Resort • Oak Ridge Estate • Walton's Mountain Museum • State Fish Hatchery • Woodson's Mill • National D-Day Memorial • New London Academy • James River Restored Canal Lock • Smith Mountain Lake • Avoca • Red Hill • Monocan Indian Nation • Kaleidoscope-September • Virginia Ten-Miler • Virginia Garlic Festival-October	• AAA Mid-Atlantic Tour Book 2005 • Blue Ridge Parkway Guide • Guide to Virginia's Civil War • Virginia Travel Guide • Metro Sports • Blue Ridge Outdoors • Runner's World • Washington Running Report • Sports Events South • Virginia Explorer • Virginia Group Tour Guide • Virginia Meeting Planners Guide • Group Tour & Meeting Planners Guide • Athletic Facilities Guide • Website www.discoverlynchburg.org • Hospitality Guide • Legacy Brochure of African-American History • Historic Homes Brochure • Trickery, Triage, and Triumph Civil War Flyer • Calendar of Events • Accommodations Guide	**Air Service**: Lynchburg Regional Airport- Delta Connection, Atlantic Southeast Airlines, U.S. Airways Express **Rail Service** CSX Transportation, Norfolk Southern Corporation **Highways** U.S. Rte. 29 (east-west), U.S. Rte. 60 (east-west), U.S. Rte. 460 (east-west), U.S. Rte 221 (east-west), U.S. Rte. 501 (north-south)

Table 2: CVB	Organizational Structure	Attractions/Events	Advertising/Marketing	Accessibility
		• Independence Day at Poplar Forest-July 4 • Independence Day at Forest Hill-July 4 • Historic Appomattox Railroad Festival- October • Annual Rose Festival-Mid May • Historic Garden Day-April • The Living Christmas Tree-December • Christmas Open House- December • Day at the Point- December • Amherst Apple Festival- October • Friday Cheers-May to August • River of Time Batteau Festival-June • Lynchburg Craft Show-September • Lynchburg Regional Chamber's Annual Shrimp Festival		
Roanoke CVB	Non-Chamber affiliated, Non profit, member based 501 (c)3	• Festival in the Park • Taste of the Blue Ridge Jazz Festival • Mill Mountain (Roanoke Star) • Blue Ridge Parkway • Explore Park • Appalachian Trail • Center in The Square • O. Winston Link Museum • Historic Neighborhoods • Grandin Theater • Smith Mountain Lake • Farmers Market • Mill Mountain Theatre • Roanoke Civic Center • Roanoke College • Virginia Western Community College • Showtimers, Inc. • Hollins University • Salem Civic Center • Salem Football Stadium • Opera Roanoke • Sweet Adelines • American Guild of Organists • Jefferson Center • Roanoke Symphony • Art Museum of Western Virginia • Roanoke City Art Show • Craig Healing Springs • Roanoke Museum of Fine Arts	• Website www.visitroanokeva.com • Visitors Guide • Maps • Mountain View Newsletter • National Geographic Magazine • Audubon magazine • Southern Living magazine • AAA guide	**Air Service:** Roanoke Regional Airport- Atlantic Southeast Airlines, Comair, Northwest Airlink, United Express, US Airways **Rail Service:** CSX Transportation, Norfolk Southern Corporation **Interstates:** I-81, I-581 **Highways:** U.S. Rte. 11 (north-south), U.S. Rte. 220 (north-south), U.S. Rte. 221 (north-south), U.S. Rte.460 (east-west)
Harrison-	• Non-Chamber	• Shenandoah National Park	• Website	**Air Service:**

Table 2: CVB	Organizational Structure	Attractions/Events	Advertising/Marketing	Accessibility
burg CVB	affiliated, Non profit , member based • 501 (c) 6	• Skyline Drive • George Washington National Forest • Grand Caverns Regional Park • Natural Chimneys Regional Park • James Madison University • Bridgewater College • Eastern Mennonite University • Endless Caverns • Fort Harrison • Keezelenuttun Farms • Massanutten Four Seasons Resort • Luray Caverns • Massanutten River Adventures • Port Republic Museum • Rockingham County Fair • Silver Lake Mill • Virginia Quilt Museum • Valley Brethren Mennonite Heritage Center • Edith J Carrier Arboretum • Harrisonburg Children's Museum • Rockingham County Fair • Christmas in July • Elkton Autumn Days Festival • Court Square Theater • D. Ralph Hostetter Museum of Natural History • M.T. Brackbill Planetarium • The Heritage Center • Shenandoah Mountain Touring • Shenandoah Valley Bach Festival • Shenandoah Valley Choral Society • Masterpiece Theatre • Oasis • Natural Chimneys • Blacks Run Greenway • Shenville Creamery • Dayton Farmers Market • Rockingham County Turkey Market • Bergton Fair	http://www.hrcvb.org/ • AAA TourBooks • Blue Key Web Design • Blue Ridge Press • Shenandoah Publishing • Shenandoah2000 Galleries • Shenandoah Adventures Website http://www.shenadven.com/ • AAA Mid-Atlantic TourBook 2005 • Guide to Virginia's Civil War • Maps • Shenandoah Valley Guide(Published Quarterly) • www.blueridgeskyline.com • Shenandoah Valley Monthly Magazine • Virginia Wine Country Tours	Shenandoah Valley Regional Airport-U.S. Airways Express **Rail Service:** Norfolk Southern Corporation, Chesapeake & Western Railroad, Shenandoah Valley Railroad **Interstates:** I-81, I-64 (24 miles south) **Highways:** U.S. #11 (north-south), U.S. #33 (east-west), St. Rt. #42 (north-south)
Charlottes-ville CVB Charlottes-ville CVB	Non-Chamber affiliated, Non profit , member based 501(c)3	• Monticello, Birthplace of Thomas Jefferson, Monticello and its many historical rooms, gadgets, furniture, building, and artifacts tell visitors a lot about Thomas Jefferson, the President who built it and lived there. • Shenandoah National Park • Stonewall Jackson Monument	• AAA Mid-Atlantic Tour Book 2005 • Blue Ridge Parkway Guide • Blue Ridge Outdoor • Guide to Virginia's Civil War • Travel South • Virginia Travel Guide	**Air Service:** Charlottesville-Albemarle County Airport- Comair, Delta Connection, United Express, U.S. Airways Express **Rail Service:** CSX Transportation,

Table 2: CVB	Organizational Structure	Attractions/Events	Advertising/Marketing	Accessibility
		• Ash Lawn • Dogwood Festival • University of Virginia • UVA Art Museum, located on the University campus, this museum features permanent art exhibits from around the world dating from ancient times to present day. • 'Ash Lawn Opera Festival, operated by the College of William and Mary, this historic site is the home of James Monroe, fifth president of the United States • Michie Tavern, Historic tavern (ca. 1784) originally located on Patrick Henry's land. Living-history tours are conducted on the grounds of its current location near route Va 20. • Historic Garden Week • Virginia Discovery Museum, • Kluge Estate Winery and Vineyard • Jefferson Vineyard • Mulberry Row • Panorama Trails • Oakencroft Vineyard, • McGuffey Art Center, • Albemarle County Court House, • Blenheim Vineyards • Spa at Boar's Head Inn • Rivanna Trails • Yearly 193 attractions and 282 activities	• Virginia Explorer • Virginia Group Tour Guide • Virginia Meeting Planners Guide • Group Tour & Meeting Planners Guide • Athletic Facilities Guide • Website http://www.charlottesvill etourism.org/ • The Interactive web advertising board (193 attractions and 282 activities) • Hospitality Guide • Historic Homes Brochure • Calendar of Events • Accommodations Guide • Successful Meetings website • TRIPsouth.com website • International Association of CVB website • SouthEast Tourism Members site • Interactive CVB Map by The Map Network	Norfolk Southern Corporation **Interstates**: I-64, I-81 (30 miles east) **Highways**: U.S. Rte. 29 (north-south), U.S. Rte. 250 (east-west), U.S. Rte. 33 (east-west), U.S. Rte. 15 (north-south)

Internet Search Comparison

The internet is increasingly being utilized in our everyday lives and more importantly, as a gateway for travelers. The project team conducted an "online" evaluation of the four CVB websites in order to determine how accessible the CVBs are for potential visitors. While the CVBs websites were found easily using their name and the term "CVB", it was much more difficult to find these CVB websites using other key terminology such as the City and state. These findings illustrate an important opportunity that is missed by many CVBs. In the age of technology, visitors and meeting planners are increasingly more likely to use the internet as a resource when planning trips and meetings. Ease of accessibility is a key component in having a satisfied visitor. Roanoke and

itself would increase the chances of someone finding it. Meta Tags in your page source code are another way of increasing traffic. Meta tags are simply "comments" in the source code. They are not necessary but can be used to add keywords to your site. Lynchburg's site does have a few, "Lynchburg, tourism, historic, mountain, weekend getaway". The CVB should add a few more such as, convention center, Virginia, civil war, poplar forest, etc. The list can be as long as they want. Meta Tags do not guarantee hits but they do help people find your site easier. Once you do find the Lynchburg webpage, they have done a nice job making it interactive and providing information to those seeking it.

V.   Hospitality Tax/Transient Occupancy Tax

The transient occupancy tax (or lodging/hospitality tax) is a flat percentage imposed on the charge for the occupancy of any room or space in hotels, motels, boarding houses, travel campgrounds, and other facilities providing lodging for less than thirty days.[22] According to section 58.1-3819 of the Virginia Code, counties may impose a lodging tax with a maximum tax rate of 2 percent. Counties satisfying other conditions may raise their tax rate to a maximum of 5 percent.[23]

The portion of the tax collections exceeding 2 percent must be used by the county for tourism and tourism related expenses. Counties are restricted in their authority to levy the lodging tax within the limits of an incorporated town unless the town grants the county authority to do so. Cities and towns are granted the authority (indirectly) to levy the lodging taxes under the "general taxing powers" found in their charters.

Appendix G also lists each City, County and Town in the State of Virginia with their transient occupancy tax rate as well as any special additions.

- The City of Lynchburg has a transient occupancy tax rate of 5.5% with an additional $1 per night;

---

[22] Tax Rates 2004 Weldon Cooper Center for Public Service, University of Virginia 23rd Annual Ed.
[23] Code of Virginia, Section 58.1-3819

- The City of Charlottesville has a transient occupancy tax rate of 5.0%;

- The City of Roanoke has a transient occupancy tax rate of 7.0%;

- The City of Harrisonburg has a transient occupancy tax rate of 6.0%

Table 4, Transient Occupancy Tax Rates 1999-2004, details each localities tax for each CVB so the results of the graph are not misconstrued. Appendix 2 lists the actual dollar amount collected by the state auditor.

Table 4: Transient Occupancy Tax Rates 1999-2004

CVB	1999	2000	2001	2002	2003	2004
Lynchburg MSA						
City of Lynchburg	5.5%	5.5% + $1 per night	5.5% + $1 per night	5.5% + $1 per night	5.5% + $1 per night	5.5% + $1 per night
City of Bedford	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Amherst County	3.0%	3.0%	3.0%	2.0%	2.0%	2.0%
Appomattox County	N/A	N/A	N/A	N/A	N/A	N/A
Bedford County	2.0%	2.0%	2.0%	5.0%	5.0%	5.0%
Campbell County	N/A	N/A	N/A	N/A	N/A	N/A
Charlottesville MSA						
City of Charlottesville	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Albemarle County	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Fluvanna County	N/A	N/A	N/A	N/A	N/A	N/A
Greene County	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Nelson County	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Roanoke MSA						
City of Roanoke	5.0%	6.0%	6.0%	7.0%	7.0%	7.0%
City of Salem	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Botetourt County	4.0%	4.0%	4.0%	5.0%	5.0%	5.0%
Craig County	N/A	N/A	N/A	N/A	N/A	2.0%
Franklin County	2.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Roanoke County	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Harrisonburg MSA						
City of Harrisonburg	5.0%	5.0%	5.0%	5.0%	6.0%	6.0%
Rockingham County	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

Source: Weldon Cooper Center for Public Service, University of Virginia

The graph below indicates the amount of hotel and motel taxes collected by the State Auditor of Public Accounts for the State of Virginia from 2000 to 2004. It is necessary to note that each locality has a different transient occupancy tax rate that determines the amount of taxes collected by the state. Additionally, each area has a different population and each area is unique in the types of visitors it recruits.

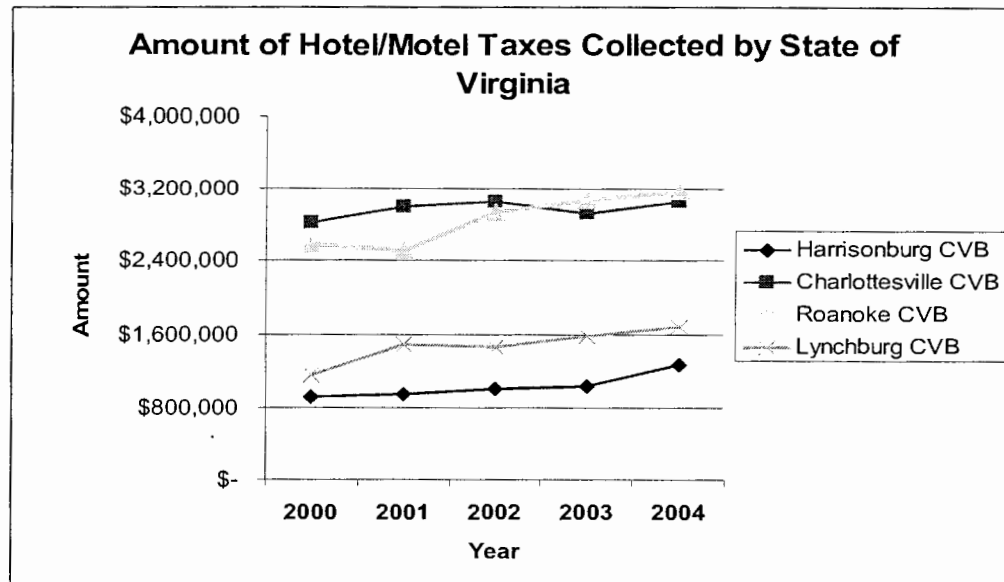**Amount of Hotel/Motel Taxes Collected by the State of Virginia**

Table 5, provides an annual lodging analysis for the benchmarked areas as well as the entire state. While the lodging industry at the state level has seen positive signs of recovery, several of the regions are still experiencing declines in occupancy. Fortunately, descending demands on room rates have not been as strong as in other non-Virginia markets.

There are five major areas of analysis contained in this table:

  Room Demand –Reflects the percent change in the number of rooms sold
  Room Supply – Reflects the percent change in the number of rooms available
  Room Rates – Reflects the average cost per room
  Room Revenues – Reflects the percent change in the amount of revenue collected
  per available room
  Occupancy Percent – Reflects the percent change in both the supply and demand for
  rooms

Table 5: Smith Travel Research Lodging Analysis

Segment	Room Demand	Room Supply	Average Room Rates (1/01-12/31)			Room Revenue	Occupancy Percent		
	% Change	% Change	2003	2002	% Change	% Change	2003	2002	% Change
Virginia Area	1.2%	1.4%	$ 62.75	$ 62.17	0.9%	2.1%	55.7%	55.8%	-0.2%
Lynchburg MSA	5.3%	1.6%	$ 59.08	$ 60.03	-1.6%	3.7%	52.1%	50.2%	3.8%
Staunton/Harrisonburg	-2.7%	1.6%	$ 60.70	$ 59.28	2.4%	-0.4%	56.9%	59.4%	-4.2%
Roanoke MSA	-1.2%	0.9%	$ 61.51	$ 60.34	1.9%	0.8%	53.0%	54.1%	-2.0%
Charlottesville MSA	4.0%	-0.2%	$ 80.76	$ 80.65	0.1%	4.1%	67.7%	64.9%	4.3%

Source: Smith Travel Research 2003 & Virginia Tourism Corporation

From the above table, it is apparent that Lynchburg has been doing quite well in terms of expanding the demand for hotel rooms. According to Smith Travel Research, Lynchburg's occupancy increased greatly, 3.9% in comparison to Harrisonburg and Roanoke. Overall, there is still room for improvement as with any area in terms of occupancy percent verses the other segments in the table as well as the state overall. However this table is helpful in determining that Lynchburg is performing exceptionally well in comparison to some of the other areas in terms of occupancy rates.

Alternatives to the Hospitality Tax/Transient Occupancy Tax:

There are many alternatives to the transient occupancy tax that CVBs could find useful to implement or further investigate. Cutting back the level of the transient occupancy tax and applying a new and much lower hospitality tax across the entire spectrum of the city's hospitality community. Taxicabs, theaters, restaurants, theme parks, all businesses that stand to profit from increased visitor spending would become subject to a modest levy. A lower but broader tax will raise more money than a high tax applied to a small universe.[24] The approach would encourage more support for many events that bring thousands of visitors to a city, events that have not gotten as much support because they do not bring in significant hotel tax revenues.


[24] Hacker & Audrain, "The Bed Tax Is Obsolete-Cut It!"

"Bureaus around the country are going to have to figure out how to operate differently and they're going to need new ways to rely less on government dollars."[25] Another unconventional yet more widely utilized approaching to not solely relying on the occupancy tax is to ally with local corporations. CVBs can leverage the fact that they reach thousands of people through their marketing efforts and promotional areas. The San Diego CVB recently had partnered with Petco, the pet-supplies company to promote San Diego in Petco's stores. The San Diego CVB has acquired promotional mileage through credit card companies as well by giving away free vacations in high-profile drawings that the companies hold.[26]

While the transient occupancy tax continues to supply the majority of CVBs funding, the funds of state, local and municipal governments are being drained each year through a loophole in the occupancy tax regulations. Internet companies such as Expedia.com, Hotels.com and other web engines buy hotel room rates at wholesale prices and mark up the prices and sell the rooms to tourists. The problem with this is that internet companies only pay taxes on the wholesale amount and claim that the markup is a service charge for selling rooms online. This is a problem for CVBs in general since they are funded mainly through the tax.

The median rate for cities that use the transient occupancy tax is 5 percent and the minimum is 2 percent, and the maximum is 8 percent. The rates for counties that report having a transient occupancy tax rate is a median rate of 2 percent with a minimum of 2 percent and a maximum of 8 percent. For the 62 towns in Virginia that impose a transient occupancy tax rate the median rate is 4 percent with a minimum of 1 percent and a maximum of 6 percent.

---

[25] Vatner, Jonathan, "The Lean Years: How CVBs are Coping with Ever-shrinking Budgets." *Meetings and Conventions* February 2005
[26] *ibid*

**Transient Occupancy Tax
(Hotel & Motel) % in Virginia**
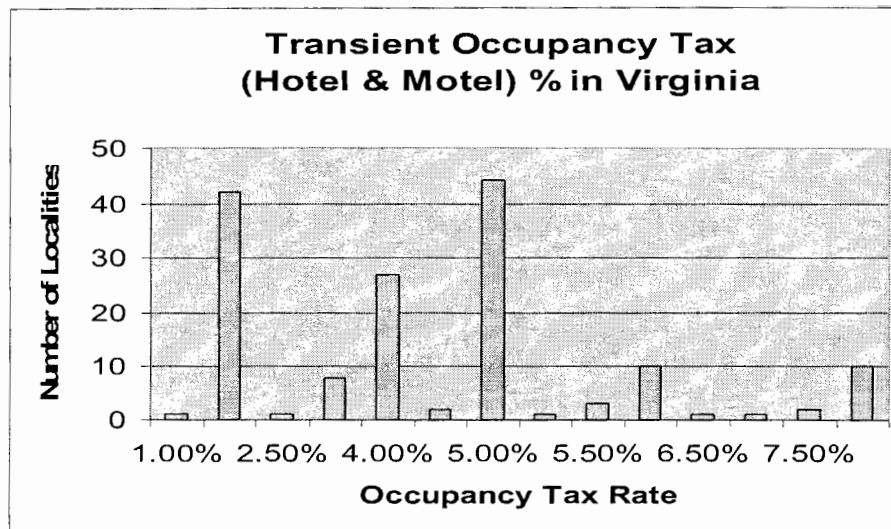
VII. Conclusions

Despite the project teams' attempts to establish a direct benchmarking effort between CVBs in Virginia, they were unsuccessful for a variety of reasons. An increasing emphasis should be placed between CVBs regarding their efforts to share information among each other as well as enact a statewide standard for performance measurement. The International Association for Convention & Visitors Bureau in February 2005 developed a standard series of benchmarks for CVBs. Most would agree that it is difficult to come up with a one-size fits all approach to CVBs. They may all serve a similar function, but politics, revenue streams, resources, location and populations make every CVB unique. Does this mean we shouldn't try to benchmark a CVB? Absolutely not, although we may not be able to compare apples to apples we can still look at the data from other CVBs to compare ourselves to and more importantly, collecting the data gives us the opportunity to benchmark against ourselves.

What is Lynchburg doing effectively?

Based off of the selected benchmark areas, Lynchburg is effectively marketing and advertising their region for tourism. In light of the absence of available numbers for fiscal comparison, the project team chose to look instead at broader benchmarks such as

the amount of festivals and attractions offered and amount of revenue collected by the transient occupancy tax adjusted for tax rate differences. In comparison to other CVBs in this report, Lynchburg is doing an adequate job to have itself located on the internet as well, however, with room for improvement. In terms of room demand and room supply, Lynchburg is doing exceptionally well for an area of its size and location compared to other major areas in the state.

What are some things Lynchburg can do to increase performance?

The project team believes that there are some measures that the Lynchburg Regional Convention & Visitors Bureau can take to effectively market itself and provide a greater amount of accountability and responsiveness to its stakeholders. It is important to note that the below steps are just recommendations and each one, if considered, should be fully investigated before implementing.

1) Lynchburg can become truly regional in nature

Currently, the Lynchburg CVB receives its funding solely from revenue generated by room stays in Lynchburg only. The CVB is funded through the City of Lynchburg and the Chamber of Commerce. Various other CVBs such as Roanoke and Charlottesville have much bigger revenue streams due to their tax base being based on regional hotel rooms verses one small area. Lynchburg already does the job of marketing for the areas around it such as Appomattox and Amherst. It seems only natural that they would get some part of the transient occupancy tax revenues generated in those areas. For example, the Roanoke CVB collects a certain amount of money each year from each of the counties and cities it serves in order to administer its tourism services. This helps solidify itself as a region as well as makes every locality feel equally invested in the process. A visitor is unconcerned about where the border lies between a town or county when looking for tourism attractions so enacting a more regional approach to supplying marketing funds would not only make stakeholders feel more invested but additionally increase the overall amount of money for advertising the region.

2) Greater collaboration among stakeholders

Lynchburg's CVB could also do what other CVBs have done across the country and work with Universities and hoteliers in their area to present a unified front for incoming visitors and meeting planners. Most planners and visitors want a "one stop shopping" experience. CVBs seem to be very successful if they make the meeting planners life easier by booking everything through them, meeting space, hotel rooms, convention halls etc.

3) Consider alternative sources of funding

Lynchburg should think about alternative sources of funding for its CVB. For example, the Charlottesville/Albemarle CVB (CACVB) enacted a new funding formula to give CACVB staff an incentive to bring visitors to the area and follows a national trend of funding visitor promotions through hotel occupancy taxes.

4) Engage in a strategic planning process

Engaging in a strategic planning process would enable the LRCVB to develop recommendations for issues such as funding and structure. The CACVB strategic planning process resulted in three main recommendations that may be useful for the LRCVB when they develop their strategic planning process including creating greater accountability from the CVB to its investors through a Return On Investment, among other performance measures.

5) Increase performance measures

Accountability has become a large part of any business. This is certainly the case among CVBs, where stakeholders whether they are a Board of Directors, local governments, members of private partners are increasingly asking their CVBs to show that they are effectively using their resources to generate the greatest possible return on investment to the local community. In February 2005, the International Association of Convention and Visitor Bureaus released a standard CVB performance reporting handbook. Performance reporting gives the CVB benchmarks and a platform by which they can clearly articulate

their contribution to their stakeholders and the local community.[27] While the Lynchburg CVB would need additional measures to fulfill specific information its stakeholders require of them, utilizing the Performance Reporting CVB Handbook would be a step in the right direction. So far, six states have endorsed the recommended performance reporting stands and numerous other state and regional associations are considering adopting these standards.[28] The project team believes that by adopting these standard guidelines, a bureau would have recognized benchmarks for assessing internal performance, as well as a means to accurately compare performance to other bureaus.

[27] IACVB: Recommended Standard CVB Performance Reporting: A Handbook for CVBs. February 2005.
[28] IACVB Special Report: 2005 Forecast